

Message Text

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70

ACTION ARA-20

INFO OCT-01 ISO-00 INT-08 SCEM-02 SPC-03 AID-20 EB-11

NSC-10 RSC-01 CIEP-02 TRSE-00 SS-20 STR-08 OMB-01

CEA-02 CIAE-00 COME-00 FRB-02 INR-10 NSAE-00 XMB-07

OPIC-12 LAB-06 SIL-01 L-03 H-03 PA-04 PRS-01 USIA-15

DRC-01 /174 W

----- 117254

R 301847Z OCT 73

FM AMEMBASSY PORT OF SPAIN

TO SECSTATE WASHDC 5722

LIMITED OFFICIAL USE PORT OF SPAIN 1356

E.O. 11652: N/A

TAGS: ENRG TD US

SUBJ: PEPCO REQUEST RE OIL PRICES

FOR ARA/CAR - MACKLIN

REF: MACKLIN/TODD TELCON OCTOBER 26, 1973

1. WE ARE UNABLE TO DEVELOP DETAILS REGARDING ANY POSSIBLE CHANGES IN CONTRACTUAL RELATIONSHIP BETWEEN SHELL AND GOTT (WHICH MIGHT HAVE AFFECTED PRICING FOR PEPCO) WITHOUT CONTACTING ONE OF THE PARTIES AND RAISING SPECIFIC QUESTIONS, WHICH WE ARE RELUCTANT TO DO. WE HOPE THAT THE FOLLOWING INFORMATION KEYED TO QUESTIONS YOU RAISED WILL BE SUFFICIENT TO ANSWER PEPCO'S INQUIRY:

2. ROYALTY PAYMENTS: THE GOTT'S ROYALTY INCOME FROM PETROLEUM IS CALCULATED AS A PERCENTAGE (10 OR 12-1/2 PERCENT, DEPENDING ON THE CONTRACT) OF THE U.S. GULF COAST PRICE, AS QUOTED IN PLATT'S OILGRAM PRICE SERVICE. SOMETIMES CALLED THE "REALIZED PRICE," IT IS REPORTEDLY NOW ABOUT \$6.48 PER BARREL FOR THE

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TYPE OF CRUDE EXPORTED BY T&T. ACCORDING TO A LOCAL OIL COMPANY

OFFICIAL, PLATT'S QUOTES A LOW, MEDIUM AND HIGH PRICE FOR EACH CATEGORY OF CRUDE. WHICH OF THESE FIGURES IS USED FOR ROYALTY CALCULATIONS IS DETERMINED BY EACH COMPANY'S CONTRACT.

3. INCOME TAX PAYMENTS: GOTT'S CORPORATE TAX RATE -- 45 PERCENT PLUS A 5 PERCENT UNEMPLOYMENT LEVY -- HAS NOT RPT NOT BEEN CHANGED.

4. TAX REFERENCE VALUE: AS SEEN BY THE ROYALTY DISCUSSION ABOVE, THE TRV SYSTEM IS NOT RPT NOT USED BY THE GOTT.

5. EXCHANGE RATES: JANUARY 1, 1972 WAS A PUBLIC HOLIDAY AND THERE WAS NO OFFICIAL TRADING IN FOREIGN EXCHANGE. ON DECEMBER 21, 1971, LARGE (OVER \$2,000) FOREIGN EXCHANGE TRANSACTIONS WERE SUSPENDED, AND SMALL ONES PERMITTED AT A RATE OF US\$1.00 - TT\$1.88. A NEW OFFICIAL EXCHANGE RATE OF US\$1.00 - TT\$1.83 WAS ANNOUNCED EFFECTIVE JANUARY 4, 1972. SINCE MID-1972, THE TT\$ HAS FLOATED WITH THE POUND STERLING, ITED AT THE RATE OF TT\$4.80 - L1 STERLING. THE EXCHANGE RATE ON MARCH 1, 1973, ACCORDING TO THE OFFICIAL GAXETTE, WAS US\$1.00 - TT\$1.95 (SELLING).
MARSHALL

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Message Attributes

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Draft Date: 30 OCT 1973
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Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: golinofr
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
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Review Markings:

Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

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